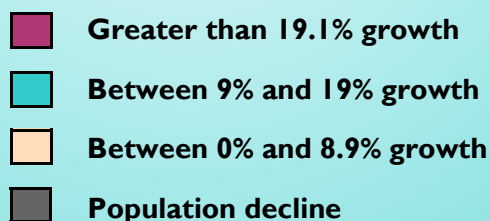
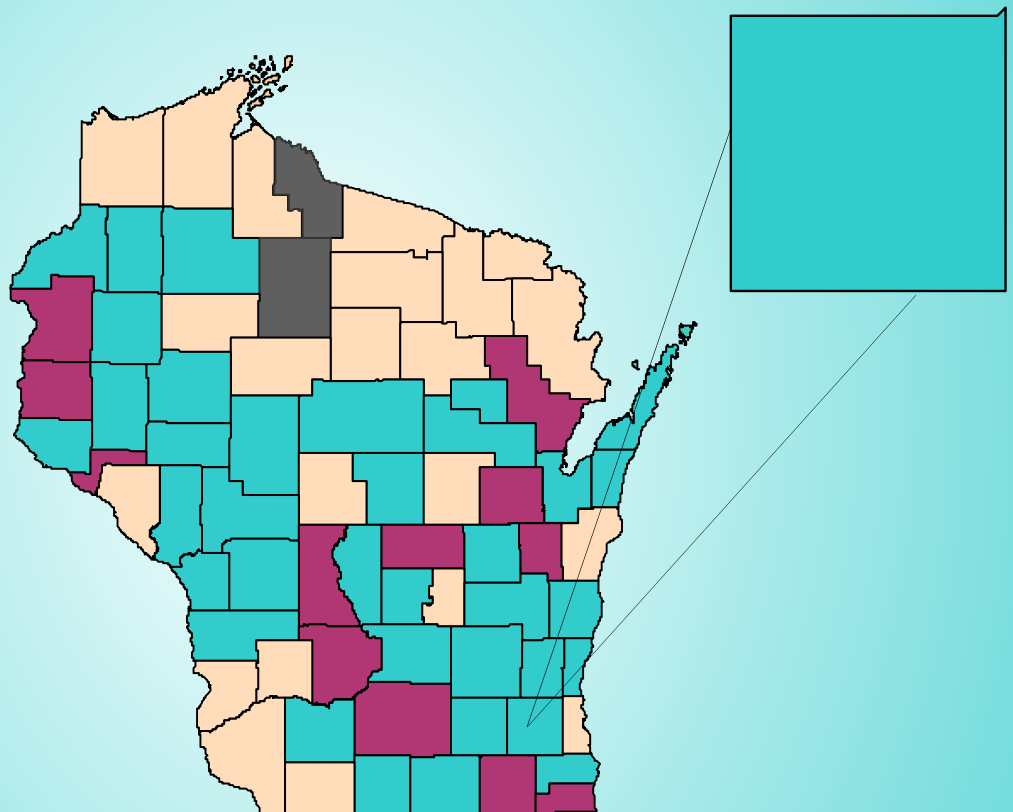


Waukesha County Workforce Profile

Projected population growth from 2000 to 2020



Source: Wisconsin Department of Administration, Demographic Services Center.
Statewide population growth is projected to be 13.9 percent from 2000 to 2020.

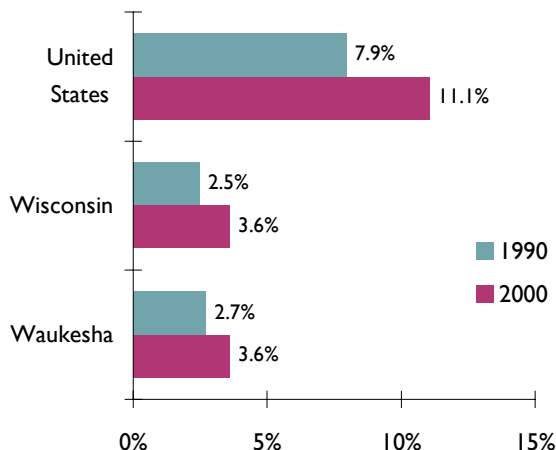


County Population

Waukesha County is Wisconsin's third most populous county with almost 361,000 residents in 2002. The county is the state's second densest at 662 inhabitants per square mile, which is well behind the state's leader in density, Milwaukee County at 3,889 people per square mile. An interesting point about Waukesha's population is that such a large and densely populated county does not have a single municipality over 70,000 in population or what some would consider a hub around which most of the residents revolve. The hub is arguably the entire Milwaukee area with an emphasis on the City of Milwaukee. Waukesha County and Milwaukee County have deeply entrenched economic ties that are symbiotic. This symbiotic activity is the hub of the four-county Milwaukee Metropolitan Statistical Area. This will be explained in more detail further into this profile.

Population growth in Waukesha County has maintained a pace slightly faster than the state's over the 20 month period between April 2000 and January 2002. Waukesha County showed more of its population growth by positive net migration (in-migrants minus out-migrants) than by natural increase (births outnumbering deaths). This is demonstrated by the graph to the immediate right. This is reasonably balanced growth. The relatively high mark of natural increase is particularly remarkable because it flies in the face of the reputation that Waukesha County has solely been a migration des-

Share of Foreign-born Residents

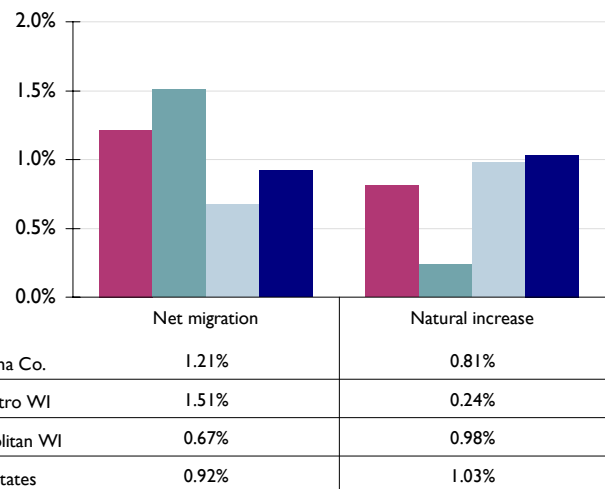


Source: US Dept. of Commerce, Census 2000, Summary file-4, QT-P14

Total Population

	April 2000 Census	January 1, 2002 estimate	Percent change
United States	281,421,906	286,923,000	2.0%
Wisconsin	5,363,701	5,453,896	1.7%
Waukesha County	360,767	368,077	2.0%
Largest Municipalities			
Waukesha, City	64,825	66,237	2.2%
Brookfield, City	38,649	39,173	1.4%
New Berlin, City	38,220	38,920	1.8%
Menomonee Falls, Village	32,647	33,233	1.8%
Muskego, City	21,397	21,699	1.4%
Oconomowoc, City	12,382	12,692	2.5%
Pewaukee, City	11,783	12,177	3.3%
Lisbon, Town	9,359	9,522	1.7%
Sussex, Village	8,828	9,166	3.8%
Waukesha, Town	8,596	8,622	0.3%

Net migration and natural increase



Source: Wisconsin DOA, Demographic Services Center & US Census Bureau

tinuation for former Milwaukeeans. The balance from migration is indicative of those moving into Waukesha County and establishing or maintaining family households.

If the county maintains this current pace of growth through 2010, Waukesha's population will grow about 12 percent, which would be considerably slower than the growth rate of 18 percent established between 1990 and 2000. Official projections of Waukesha County population growth by the

(Continued on page 2)

Waukesha County Workforce Profile

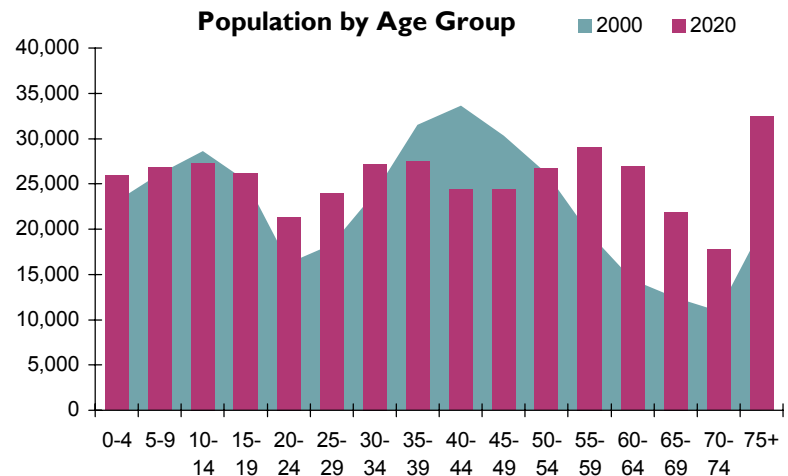
Population Projections by Age Groups in Waukesha County

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
2000																
Male	11,498	13,317	14,616	13,355	8,450	9,268	11,718	15,229	16,959	15,072	13,052	9,773	6,986	6,017	5,009	7,165
Female	11,598	12,858	14,014	12,006	7,776	9,032	12,248	16,272	16,713	15,271	13,080	9,738	7,434	6,456	5,972	12,815
2005																
Male	11,676	13,098	14,218	14,554	10,447	9,146	10,328	13,057	16,140	16,974	14,511	12,037	8,712	6,076	5,127	8,743
Female	11,179	13,229	13,768	13,313	9,517	8,949	10,270	13,574	16,789	16,497	14,449	12,078	8,899	6,829	6,002	14,705
2010																
Male	11,973	12,979	13,791	14,169	11,396	11,296	10,259	11,623	13,949	16,202	16,377	13,420	10,774	7,614	5,215	9,998
Female	11,475	12,465	13,973	13,063	10,538	10,818	10,243	11,495	14,065	16,557	15,598	13,334	11,037	8,171	6,360	16,233
2015																
Male	12,592	13,146	13,680	13,777	11,130	12,402	12,562	11,573	12,475	14,055	15,685	15,205	12,070	9,472	6,581	10,923
Female	12,085	12,650	13,191	13,256	10,339	12,005	12,157	11,473	11,940	13,874	15,660	14,403	12,198	10,149	7,631	17,583
2020																
Male	13,259	13,635	13,857	13,677	10,833	12,119	13,759	14,054	12,438	12,595	13,629	14,592	13,716	10,653	8,231	12,704
Female	12,700	13,157	13,387	12,505	10,483	11,804	13,434	13,462	11,919	11,775	13,119	14,460	13,183	11,231	9,501	19,699

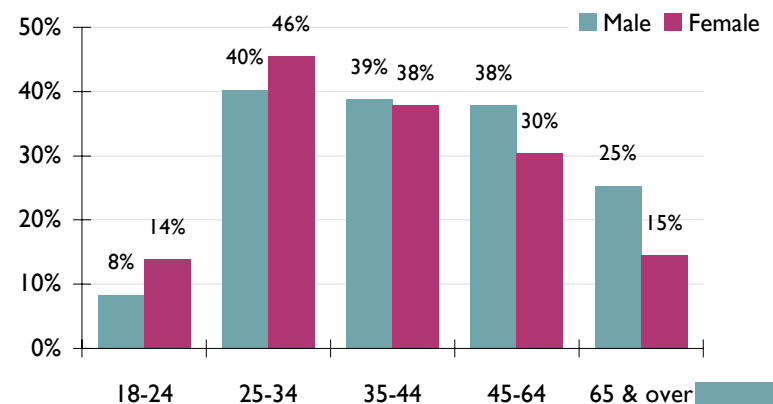
Source: Wisconsin Dept. of Administration, Demographic Services, October 2003

Wisconsin Department of Administration do not believe that this pace will continue and that population growth will be approximately seven percent from 2000 to 2010 and that growth from 2010 to 2020 will be six percent.

A slower population growth projection is not unique to Waukesha County, nor Wisconsin, nor the nation for that matter. Slower population growth will be attributed to age demographics. The population by age group graph to the right shows that the largest segments of the 2000 population are the baby-boomers and among the smallest cohorts are the boomers' offspring. By 2020, the boomers will have aged 20 years and will still be one of the largest portions of the population in their elderly years. Elderly population has typically been a smaller portion of total population, but will not be in Wisconsin's future. The boomers' children, already in low numbers in 2000, will have continued a phenomenon of lower birth and fertility rates creating another relative shortage of those 20 to 30 years of age in 2020. A point of interest is that the population group under the age of 40 will grow about seven percent from 2000 to 2020, while the group 40 and older will grow by 21 percent. These are very simplistic views of age demographics. The impact of these demographics on the labor force will be discussed in the next section of this profile.



Percent of age group with at least a Bachelor's degree in Waukesha County



Source: US Dept. of Commerce, Census 2000, Summary file 4, QT-P20

Labor Force Characteristics

The labor force is the sum of a location's employed and unemployed. Labor force participants must be 16 years of age and the unemployed must be actively looking for work to be counted as "unemployed".

The labor force participation rate (LFPR) is the percentage of the total civilian population working or looking for work. Waukesha County's LFPR in 2002 was 76.8 percent and ranked 13th among Wisconsin's 72 counties. Waukesha's rate is considerably higher than the state and nation rates of 73.0 and 66.6 percent, respectively.

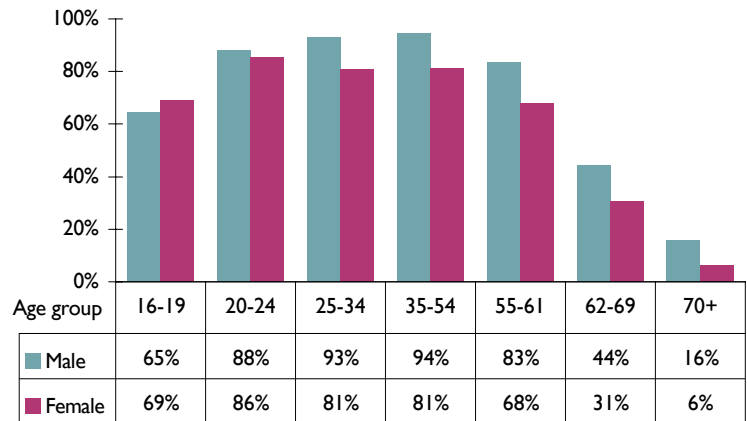
Waukesha County's labor force has increased by 2.5 percent from 1997-2002. This is flat growth compared to the five-year period before this, 1991-1996, which showed labor force growth of 19 percent. The flat growth is partly demographic and partly economic in nature. The economic aspect can be outlined this way: the number of employed residents grew by 961 between 1997-2002 (0.5% increase), while the number of unemployed grew by 1,803 (34% increase). The increase in the unemployed raised the unemployment rate from 2.6 percent in 1997 to 4.5 percent in 2002. The soft economy that entered with the new century probably did not lure many new job seekers into the economy, but instead re-distributed those who were employed into the ranks of the unemployed, hence the miniscule rise in total labor force.

The principal demographic explanation for flat labor force growth is attributed to the aging of the population. Waukesha County has experienced a decrease and then leveling of its LFPR and will continue to experience similar dynamics in the coming years. For example, the 2002 LFPR of 76 percent implies that the remaining 24 percent of the civilian population aged 16 and older are not participating. The majority of this 24 percent are residents who have voluntarily left the labor force altogether mainly due to retirement or the lack of financial need for employment.

To further demonstrate these demographic notions, the graph to the immediate right displays the number of Waukesha County residents in the labor force by age group in 2000 and their projected distribution in 2020. The graph shows more older workers (55+ years) in the labor force in 2020, not because it estimates a greater financial need of this demographic, but because these age groups will be more abundant in tomorrow's population. A more striking figure is

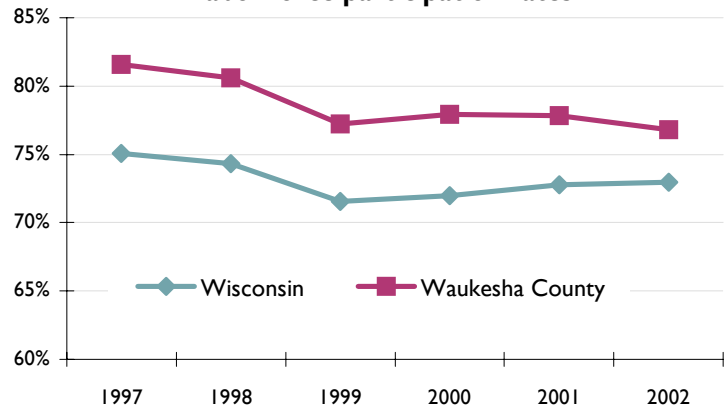
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Waukesha Labor Force Participation by Age & Sex in 2000



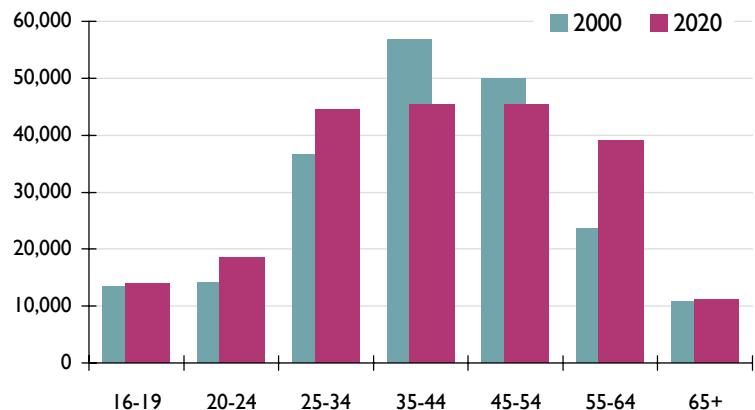
Source: US Dept. of Commerce, Census 2000, Summary file 4, PCT-79

Labor force participation rates



Source: WI DWD, Office of Economic Advisors, 2003

Labor Force by Age in 2000 & 2020 in Waukesha County

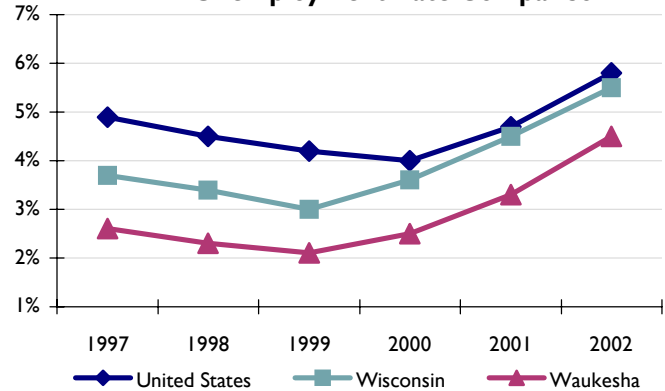


Source: DWD, Office of Economic Advisors, US Census, SF-4 (PCT-79), WI Demographic Services

Waukesha County Workforce Profile

that the projected population growth in 20 years is expected to be 17 percent for those 16 years and older, though the total labor force is expected to grow more slowly at eight percent. This flat labor force growth assumes that the present LFPR by age group will persist over these two decades, which is actually very unlikely. It is open to debate that older workers will increase or even maintain present levels in the labor force. There will be a bit of growth in the younger age cohorts' (ages 16-34) labor force in 2020, but not enough to mitigate slow labor force growth overall, nor will it be enough growth to stave off potential labor shortages in key occupations throughout the county and metropolitan area.

Unemployment Rate Comparison



Waukesha County Civilian Labor Force Data

	1997	1998	1999	2000	2001	2002
Labor Force	209,935	212,582	211,455	212,045	217,155	215,148
Employed	204,568	207,663	207,071	206,720	209,985	205,529
Unemployed	5,367	4,919	4,384	5,325	7,170	9,619
Unemployment Rate	2.6%	2.3%	2.1%	2.5%	3.3%	4.5%

Source: WI DWD, Bureau of Workforce Information, LAUS program, 2003

Occupations in demand

Occupational information requests out-number every other labor market information customer request. This is due to the fact that all parties involved in the labor transaction, employers and job-seekers, are keenly interested in career direction, education and training requirements, and importantly, wages associated with careers.

The table to the right examines the fastest growing occupations in the WOW region (Washington, Ozaukee and Waukesha Counties) and occupations that will have the most openings between 2000 and 2010 and the occupations' average hourly wages in 2001.

The distinctions between the fastest growing and those with most openings are obvious; wages and educational requirements are quite different. Occupations with the most openings tend to be entry-level needing less educational requirement or training and may have higher turnover as people move up career ladders. Occupations that are growing quickly may not necessarily grow abundantly. They are pervasive in technical fields and most require some form of post-high school training or formal education. The wage premium for higher educational attainment is evident in this example and is exemplary of a changing labor demand.

WOW Region Occupation Projections: 2010

	Top Ten Occupations	Education & Training Typically Required*	Average Wage**
Fastest Growth	Computer Support Specialists	Associate degree	\$19.81
	Computer Soft Engrs Sysms Soft	Bachelor's degree	\$29.63
	Computer Software Engrs Apps	Bachelor's degree	\$31.26
	Network Sysms/Data Comm Anal	Bachelor's degree	\$25.22
	Network/Computer Systems Admin	Bachelor's degree	\$25.88
	Personal and Home Care Aides	1-month or less training	\$8.88
	Medical Records/Health Info Techs	Associate degree	\$11.44
	Computer Specialists/All Other	Postsecondary voc. trng	\$27.99
	Medical Assts	1-12 mo. on-the-job training	\$13.86
	Social/Human Service Assts	1-12 mo. on-the-job training	\$13.70
Most Openings	Retail Salespersons	1-month or less training	\$10.09
	Cashiers	1-month or less training	\$7.61
	Comb Food Prep/Serv Wrk/Incl Fast	1-month or less training	\$8.08
	Waiters/Waitresses	1-month or less training	\$6.38
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$11.05
	Office Clerks/General	1-month or less training	\$10.99
	Stock Clerks/Order Fillers	1-month or less training	\$9.52
	Customer Service Reps	1-12 mo. on-the-job training	\$15.31
	Registered Nurses	Bachelor's degree	\$23.32
	Janitors/Cleanrs Ex Maids/Hskpng	1-month or less training	\$10.94

* The most common way to enter the occupation, not the only way

** Wages from Occupation Employment Statistics survey responses for region, 2001

WOW WDA includes Ozaukee, Washington and Waukesha counties.

Source: WI DWD, Bureau of Workforce Information, 2002

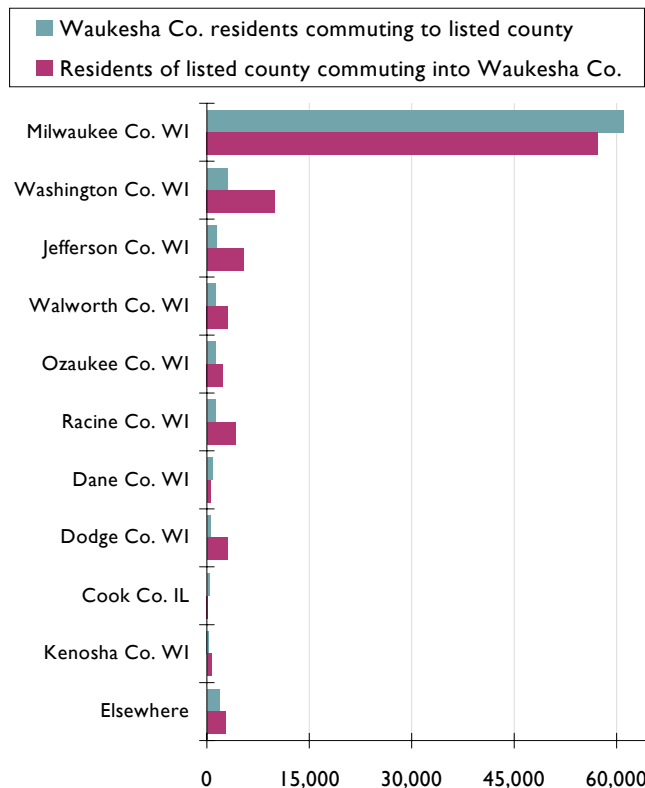
County Commuting Patterns

This topic is arguably one of the more underrated yet highly anticipated pieces of labor market information. It is key information when profiling a local economy. These data are released every 10 years from the U.S. Bureau of Census, but may be surveyed annually via the American Community Survey, which is a new approach the bureau is undertaking

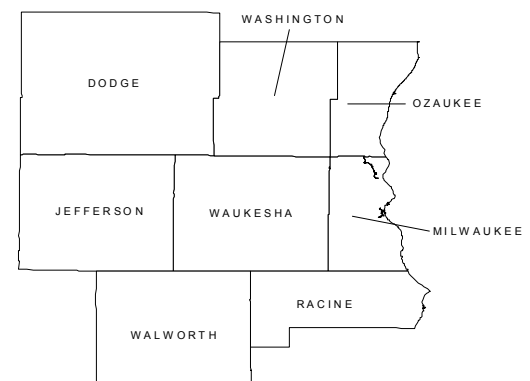
to measure the U.S. population between the decennial censuses.

Commuting juxtaposes two simple questions: “where do you live?” and “where do you work?”. Sixty-two percent of Waukesha County workers work in their home county, which is lower than state average, but is understandable given the location of the county in arguably the most economically dynamic part of the state. Waukesha County sends approximately 73,000 (out of the county’s 205,529 total employed) residents out of the county for work, 61,000 of them or 84 percent into Milwaukee County. Nonetheless, Waukesha County shows a net commuting gain with every other contiguous county except Milwaukee County, though Milwaukee’s net gain from Waukesha is only seven percent larger than the number of workers it sends into Waukesha County. This small difference is not surprising though the commute from Waukesha into Milwaukee usually gets more attention. It is not surprising due to the fact that job growth in Waukesha County was 33 percent or 55,000 more jobs from 1992 to 2002 compared to 0.7 percent growth or 3,500 jobs in Milwaukee County.

Waukesha County’s total net commute is positive as it gains about 9,000 more workers than it sends outside of the county. It is positive for a good reason: it needs to be. There are more jobs in the county than the number of people available. Waukesha County had 222,250 jobs in the county in 2002 and 205,529 employed residents.



	Waukesha Co. residents commuting to listed county	Residents of listed county commuting into Waukesha Co.	Net gain or loss of workers
Milwaukee Co. WI	61,038	57,291	-3,747
Washington Co. WI	2,995	9,983	6,988
Jefferson Co. WI	1,410	5,407	3,997
Walworth Co. WI	1,321	3,088	1,767
Ozaukee Co. WI	1,297	2,360	1,063
Racine Co. WI	1,231	4,157	2,926
Dane Co. WI	783	595	-188
Dodge Co. WI	514	3,051	2,537
Cook Co. IL	410	164	-246
Kenosha Co. WI	319	734	415
Elsewhere	1,823	2,777	954



Source: US Dept. of Commerce, Census 2000, County-to-county worker-flow files

Industry Employment -

Introducing NAICS (North American Industry Classification System)

The North American Industry Classification System (NAICS) is a new way of categorizing employers by industry as of 2002. It replaces the old system known as Standard Industrial Classification (SIC).

A tome could be written explaining why the change and what the differences are. For the sake of brevity, NAICS was introduced to reflect a changing economy (new and evolving industries) and to include all three North American countries in a uniform coding system.

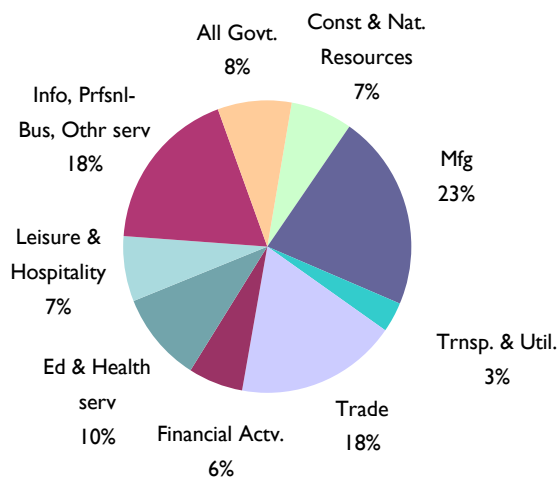
NAICS gives more industry detail reflecting industries that are more contemporary than its coding predecessor.

SIC and NAICS data cannot be compared to one another even if the industries share the same or similar name. The new coding system is so different that one cannot assume that data retrieved are similar for comparison. The table at the bottom of the page shows the 2002 industry composition for Waukesha County in present and former coding systems. *Note: data in the NAICS format is only available for years 2001 and 2002 at the time of publication. It is hoped that data retroactively coded back to 1990 will be available in 2004 so readers can see how these industry sectors have changed.*

Regardless of the new coding system, manufacturing employment is still the largest employing industry in Waukesha county and is the chief reason why the county's overall wages are among the highest paid in the state. High wages in Waukesha County are attractive to residents of other counties and their commuters. At 23 percent of employment in manufacturing it is higher than the state's ratio by five percentage points. Waukesha is also proportionately and considerably higher in trade employment and information, professional, business and other services employment. It is proportionately lower than state average in government employment, eight percent vs. 15 percent. Education and health services employment is also lower than average in the county.

(Continued on page 7)

Waukesha County Industry Distribution: 2002



2002 Industry Employment in Waukesha County: A comparison of two classification systems

NAICS Super-sectors	Employment	Distribution	SIC Industry Divisions	Distribution
Construction, natural resources & mining	15,980	7%	Construction & Mining	7%
Manufacturing	49,002	22%	Manufacturing	22%
Transportation, warehousing & utilities	7,435	3%	Transportation, utilities & communication	4%
Trade (wholesale & retail)	40,908	18%	Wholesale trade	8%
			Retail trade	17%
Financial activities	13,641	6%	Finance, insurance & real estate	6%
Information, professional & business services, other services	41,485	18%	Services & misc (incl. agr, forestry, fishing)	26%
Education and health services	22,535	10%	Government	8%
Leisure & hospitality	16,588	7%		
Government	18,960	8%		

Source: WI DWD, Bureau of Workforce Information, Current Employment Statistics Program, March 2003

Waukesha County Workforce Profile

Below are the top ten employers and top ten industries in Waukesha County. Many of the industries mentioned that are below state average in presence are nonetheless large employers in the county. Glancing down these lists one will notice that the majority of the top industries and employers are dominated by services-providing entities save for some large and renowned manufacturers such as printing and machinery

manufacturing. Waukesha is also home to a handful of very large employers; some of them large corporate headquarter settings. Nine percent of Waukesha County's total employment works for these top private employers listed below. This is a very large percentage of employment given the size of Waukesha County's total industry employment-the third largest employing county in the state.

Top 10 Industry Groups in Waukesha County

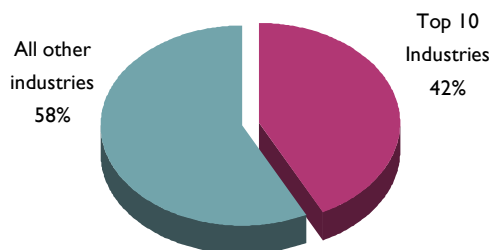
Industry Group	March 2003		Numeric change 2002 - 2003
	Employers	Employees	
Educational Services	106	12,296	144
Food Services and Drinking Places	462	11,835	178
Professional and Technical Services	1,146	11,698	261
Merchant Wholesalers, Durable Goods	945	11,077	-468
Administrative and Support Services	519	9,837	369
Specialty Trade Contractors	969	9,416	66
Fabricated Metal Product Manufacturing	275	8,799	-27
Machinery Manufacturing	197	7,397	-691
Printing and Related Support Activities	124	7,046	-156
Ambulatory Health Care Services	564	6,636	197

*data suppressed to maintain confidentiality

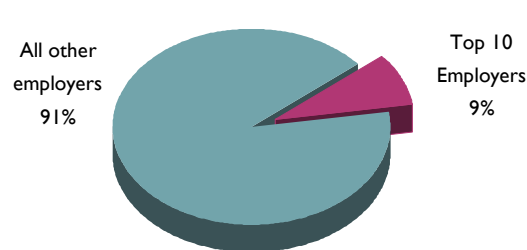
Top 10 Private Employers in Waukesha County

Company	Product or Service	Size
Kohl's Department Stores, Inc.	Discount department stores	1000 +
General Electric Co.	Medical, dental, and hospital equip. and supplies merchant wholesalers	1000 +
Quad Graphics, Inc.	Commercial printing	1000 +
Waukesha Memorial Hospital, Inc.	General medical & surgical hospitals	1000 +
Target Corporation	Discount department stores	1000 +
Cooper Power Systems, Inc.	Power, distribution, and specialty transformer manufacturing	1000 +
Community Memorial Hosp. of Menomonee Falls	General medical & surgical hospitals	1000 +
The Gap, Inc.	Family clothing stores	1000 +
Strong Financial Corp.	Open-end investment funds	1000 +
Wal-Mart Associates, Inc.	Discount department stores	1000 +

Share of jobs with top 10 industries



Share of jobs with top 10 employers



Source: WI DWD, Bureau of Workforce Information, ES-202 special report, First quarter, 2003

Waukesha County Workforce Profile

The table to the right shows the average wage paid by industry in Waukesha County and compares it to the state average. As expected of a metropolitan county, it pays higher than average in the majority of industries.

The graph below takes this comparison a step farther and illustrates the comparative importance of industry employment levels to the total wages these sectors pay in Waukesha County. An example of how to read this graph is that manufacturing employment composes 22 percent of the county's employment, but pays about 26 percent of the county's total wages earned, putting a premium on this employment for its disproportionately high wages. On the other hand, leisure and hospitality employment shows the opposite effect with a higher employment ratio than wages paid in the county. This is due to the fact that much of leisure and hospitality employment is entry-level,

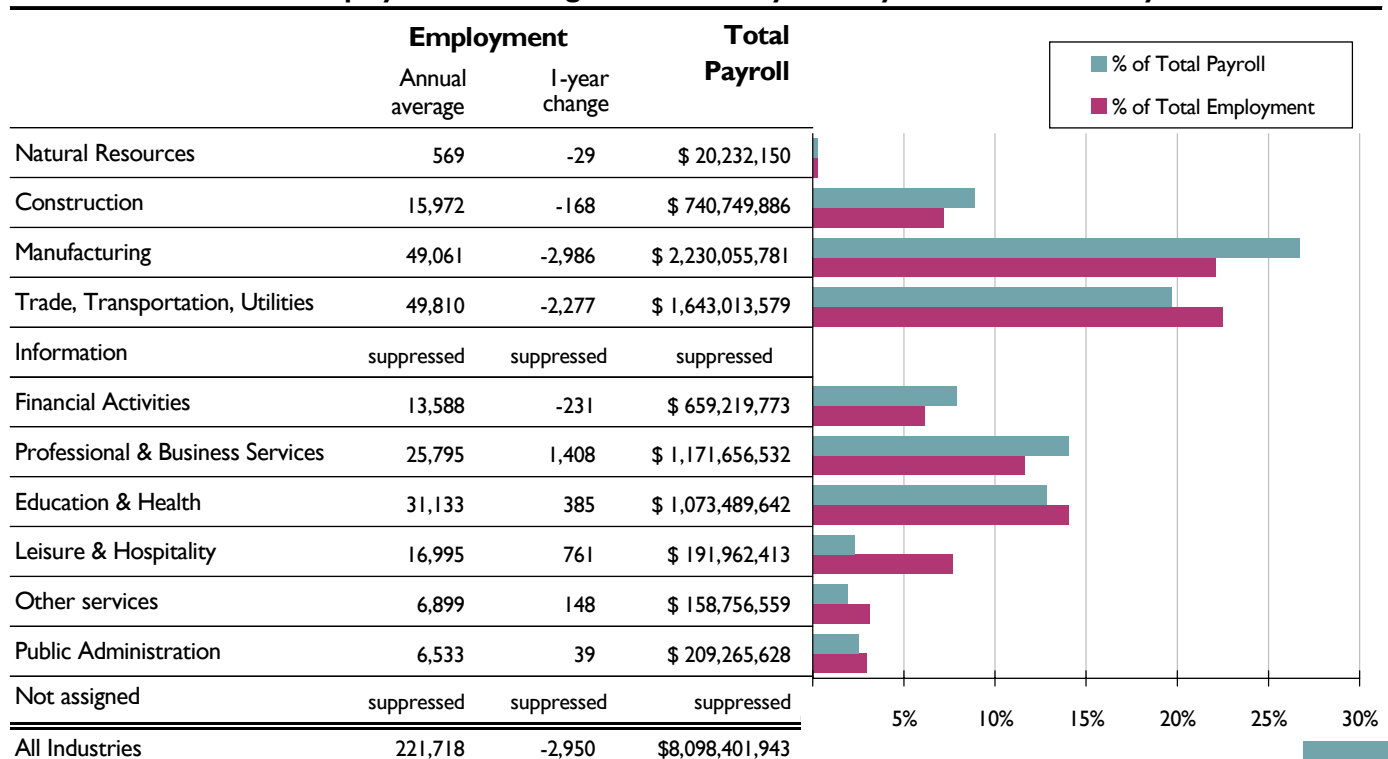
Average Annual Wage by Industry Division in 2002

	Average Annual Wage		Percent of	1-year
	Wisconsin	Waukesha County	Wisconsin	% change
All Industries	\$ 32,422	\$ 37,661	116%	1.5%
Natural resources	\$ 25,481	\$ 35,557	140%	1.1%
Construction	\$ 39,649	\$ 46,378	117%	1.8%
Manufacturing	\$ 40,584	\$ 45,455	112%	2.2%
Trade, Transportation, Utilities	\$ 28,422	\$ 32,986	116%	0.7%
Information	\$ 38,871	suppressed	suppressed	suppressed
Financial activities	\$ 40,337	\$ 48,515	120%	3.3%
Professional & Business Services	\$ 36,324	\$ 45,422	125%	0.9%
Education & Health	\$ 33,768	\$ 34,481	102%	4.3%
Leisure & Hospitality	\$ 11,837	\$ 11,295	95%	1.6%
Other services	\$ 19,500	\$ 23,012	118%	1.7%
Public Administration	\$ 33,769	\$ 32,032	95%	2.5%

Source: WI DWD, Bureau of Workforce Information, Covered Employment & Wages, August 2003

part-time and seasonal in nature. Manufacturing wages are higher on average due to more hours worked, the presence of collective bargaining agreements and longer job tenures that are not so pervasive in entry-level pay scales. Data for the information and not assigned sectors did not meet minimum release thresholds and were suppressed.

2002 Employment and Wage Distribution by Industry in Waukesha County



Source: WI DWD, Bureau of Workforce Information, Covered Employment and Wages, August 2003

Per Capita Personal Income (PCPI)

PCPI is typically the most popular and accepted indicator of an area's economic health. It is defined as an area's total income divided by the total population. Income is composed of earnings from work, dividends and interest from equities or other holdings and from transfer payments, which are government payments for various reasons.

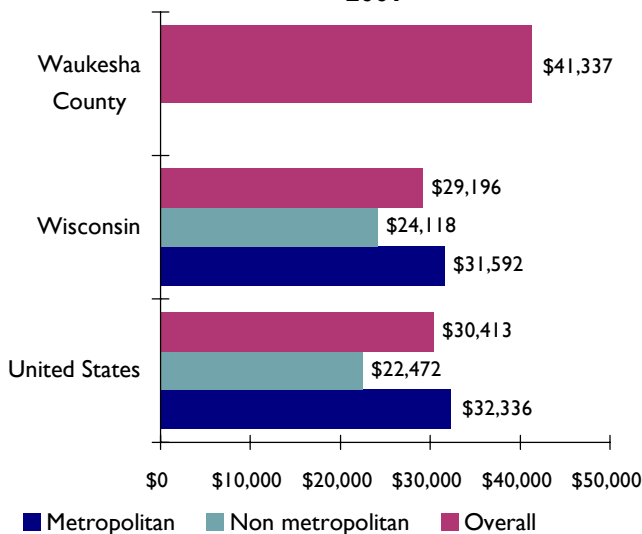
Waukesha County's PCPI ranks second highest of the state's 72 counties just behind another Milwaukee-Waukesha MSA county, Ozaukee County. It is also 40 percent higher than the state's PCPI. PCPI growth over the last five years (and longer) has been considerably

robust as well. Waukesha income is composed more chiefly of employment wages and dividend and interest payment and rental income and significantly less of government transfer payments. The high PCPI makes sense in a high wage county adjacent to other higher wage counties with regards to commuters. Job earnings are at a collective level that disposable income can be invested and returned as more income in the form of returns on these investments. Waukesha's high LFPR also contributes to the high ratio of earnings in total income.

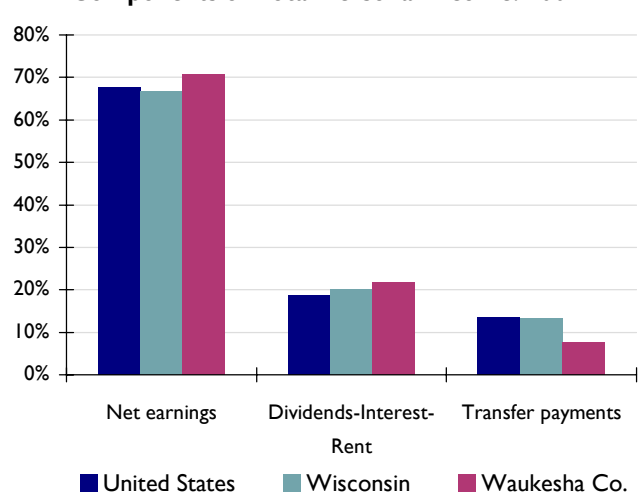
Per Capita Personal Income

	1996	1997	1998	1999	2000	2001	Percent Change	
United States	\$24,270	\$25,412	\$26,893	\$27,880	\$29,760	\$30,413	2.2%	25.3%
Wisconsin	\$23,301	\$24,481	\$26,004	\$26,926	\$28,389	\$29,196	2.8%	25.3%
Waukesha County	\$32,000	\$34,153	\$36,416	\$37,834	\$40,344	\$41,337	2.5%	29.2%

2001



Components of Total Personal Income: 2001



Source: US Dept. of Commerce, Bureau of Economic Analysis, State & Local Personal Income, May 2003, CAI-3, CA05

WWW addresses of source data

Wisconsin population estimates and projections:

<http://www.doa.state.wi.us/dir/index.asp>

Education levels of population, labor force participation rates, commuting patterns:

<http://www.census.gov/main/www/cen2000.html>

Labor force estimates (employed and unemployed), industry employment, average annual wages:

<http://www.dwd.state.wi.us/lmi/>

Occupations in-demand:

http://www.dwd.state.wi.us/lmi/wda_map.htm

Per Capita Personal Income:

<http://www.bea.gov/bea/regional/reis>

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